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(Pages : 6)

Name.....

Reg. No.....

**FIFTH SEMESTER CBCSS-UG DEGREE EXAMINATION
NOVEMBER 2025**

(2019 Syllabus)

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

Time : Two Hours and a Half

Maximum : 80 Marks

*Answers should be written English only.***Part A***Answer all questions.*

1. What do you mean by management accounting ?
2. What is capital gearing ratio ?
3. The Current Assets are Rs. 5,00,000, Inventories are Rs. 1,50,000 and Current Liabilities are Rs. 2,00,000. Find the Quick Ratio.
4. What is ratio analysis ?
5. What do you mean by intra-firm comparison ?
6. Write notes on dynamic analysis of financial statements.
7. Define fund flow statement.
8. What is key factor ?
9. List out activity ratios.
10. What is break-even point ?
11. List out any four sources of fund.
12. What do you understand by make or buy decision ?

Turn over

13. Calculate the amount of variable cost from the following information.

| | Rs. |
|------------|----------|
| Sales | 3,00,000 |
| Fixed Cost | 60,000 |
| Profit | 80,000 |

14. What is fund from operation ?
15. What is Margin of safety ?

(15 × 2 = 30, maximum ceiling 25 marks)

Part B

Answer all questions.

16. What is a Cash flow statement ? Explain its objectives.
17. What are the differences between financial accounting and management accounting ?
18. Explain various objectives of ratio analysis.
19. Write notes on the uses and significance of the fund flow statement.
20. ABC Ltd. provides the following financial data for the year. Calculate Net Cash from Operating Activities :

| Particulars | Amount (Rs.) |
|--------------------------|--------------|
| Cash Sales | 50,000 |
| Collections from Debtors | 1,20,000 |
| Payments to Suppliers | 70,000 |
| Payments to Employees | 30,000 |
| Business Expenses | 25,000 |
| Income Tax Paid | 15,000 |
| Sale of Machinery | 40,000 |

21. Alpha Ltd. and Beta Ltd. operate in the same industry but have different cost structures. The following details are available :

| Particulars | Alpha Ltd. | Beta Ltd. |
|------------------------|--------------|--------------|
| Selling Price per Unit | Rs. 120 | Rs. 120 |
| Variable Cost per Unit | Rs. 70 | Rs. 50 |
| Total Fixed Costs | Rs. 3,00,000 | Rs. 5,00,000 |

- a) Calculate the Break-Even Point (BEP) for both companies.
- b) What is the indifference point of two companies ?
22. From the following information, calculate :
- (i) Trade receivables turnover ratio.
- (ii) Average collection period.
- (iii) Trade payable turnover ratio.
- (iv) Average payment period.

Given :

| | Rs. |
|-------------------------|----------|
| Revenue from Operations | 8,75,000 |
| Creditors | 90,000 |
| Bills receivable | 48,000 |
| Bills payable | 52,000 |
| Purchases | 4,20,000 |
| Trade debtors | 59,000 |

Turn over

23. Convert the following profit and loss into a comparative statement of profit and loss of XYZ Ltd :

| Particulars | Note No. | 2022-23 (Rs.) | 2023-24 (Rs.) |
|-----------------------------|----------|---------------|---------------|
| (i) Revenue from operations | | 60,00,000 | 75,00,000 |
| (ii) Other incomes | | 1,50,000 | 1,20,000 |
| (iii) Expenses | | 44,00,000 | 50,60,000 |
| (iv) Income tax | | 35% | 40% |

(8 × 5 = 40, maximum ceiling 35 marks)

Part C

Answer any **two** questions.

24. Prepare the Balance Sheet with the help of the following accounting variables:

| | |
|------------------------------------------------|------------|
| Gross Profit (20% of Sales) | Rs. 30,000 |
| Shareholder's Equity | Rs. 25,000 |
| Credit Sales to Total Sales | 80% |
| Total Assets Turnover | 3 times |
| Stock Turnover | 8 times |
| Average Collection period (360 days in a year) | 18 days |
| Current Ratio | 1.6:1 |
| Long-term Debt to Equity | 40% |

25. A manufacturing company is currently operating at 60% capacity due to reduced demand. The following cost details are available :

| Cost Component | Cost per unit (Rs.) |
|-------------------|---------------------|
| Direct Material | 3 |
| Direct Labour | 2 |
| Variable Overhead | 4 |
| Fixed Overhead | 3 |
| Total Cost | 12 |

Production per month = 30,000 units

Total cost of production = Rs. 3,60,000

Total sales revenue (30,000 units @ Rs. 11) = Rs. 3,30,000

Loss per month = Rs. 30,000

A buyer offers to purchase 15,000 additional units per month at Rs. 10 per unit. The company seeks your advice on whether to accept or reject the order.

26. From the following two Balance Sheets on 31st March 2023 and 2024, you are required to prepare :

- (1) Schedule of changes in working capital.
- (2) Fund flow statement.

Balance Sheet

| Particulars | Note No. | 2023 (Rs.) | 2024 (Rs.) |
|------------------------------------------|-------------|-----------------|-----------------|
| I. EQUITY AND LIABILITIES : | | | |
| (1) Shareholder's Funds | | | |
| Share capital | | 3,25,000 | 3,00,000 |
| Reserves and Surplus (P & L account) | | 1,70,000 | 1,00,000 |
| (2) Share Application Money Pending | | | |
| Allotment | | | |
| (3) Non-current Liabilities | | | |
| Long term borrowings 10% Debentures) | | 1,50,000 | 2,00,000 |
| (4) Current Liabilities | | | |
| Trade payables (Trade creditors) | | 98,000 | 75,000 |
| Other current liabilities (O/S expenses) | | 2,000 | 5,000 |
| TOTAL | | 7,45,000 | 6,80,000 |

Turn over

| Particulars | Note No. | 2023 (Rs.) | 2024 (Rs.) |
|----------------------------------|----------|-----------------|-----------------|
| II. ASSETS : | | | |
| (1) Non-current Assets | | | |
| Fixed Assets: | | | |
| Tangible assets | 1 | 6,00,000 | 5,50,000 |
| (2) Current Assets | | | |
| Inventories (Stock) | | 1,10,000 | 80,000 |
| Trade Receivables (Debtors) | | 30,000 | 46,000 |
| Cash and cash equivalents (cash) | | 5,000 | 4,000 |
| TOTAL | | 7,45,000 | 6,80,000 |

Notes to Account

| Particulars | 2023 (Rs.) | 2024 (Rs.) |
|---------------------------|-----------------|-----------------|
| I. Tangible Assets | | |
| Land and building | 4,90,000 | 4,25,000 |
| Plant and Machinery | 90,000 | 1,00,000 |
| Furniture | 20,000 | 25,000 |
| Total | 6,00,000 | 5,50,000 |

Additional Information :

Depreciation written off during the year :

1. On machinery Rs. 10,000
 2. On furniture Rs. 2,000.
27. Give a proforma of cash flow statement (direct method) with imaginary figures.

(2 × 10 = 20 marks)

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(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2024

(UG—CBCSS)

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.**Each question carries 2 marks.*

1. What is management accounting ?
2. What is external analysis ?
3. Describe trend analysis.
4. What is comparative balance sheet ?
5. What do you mean by solvency ratio ?
6. Explain P/E Ratio,
7. Calculate EPS :
Equity share capital (Rs.10 each)-Rs. 9,00,000
Rate of tax-50 % of net profit
Net profit before tax-Rs. 1,80,000
8. Explain the significance of capital gearing ratio.
9. Define fund flow statement.
10. Explain the treatment of proposed dividend as a non-current liability.
11. What do you mean by cash equivalents ?
12. What are the objectives of cash flow statement ?
13. What is margin of safety ?

Turn over

14. Explain CVP analysis.
15. A company estimates that next year it will earn a profit of Rs. 50,000. The budgeted fixed cost and sales are Rs. 2,50,000 and Rs. 10,00,000 respectively. Find out the break even point for the company.

(15 × 2 = 30, Maximum ceiling 25 marks)

Part B

Answer all questions.

Each question carries 5 marks.

16. Differentiate management accounting and financial accounting.
17. Calculate trend percentages from the following taking 2015 as base year and interpret the results :

| | | | | | | |
|------------------------|---|--------|--------|--------|--------|--------|
| Year | : | 2015 | 2016 | 2017 | 2018 | 2019 |
| Revenue from operation | : | 100000 | 130000 | 148000 | 170000 | 196000 |
| Gross profit | : | 50000 | 64000 | 70000 | 86000 | 100000 |

18. From the following data, calculate collection period :

Total sales = 6,00,000

Cash sales = 1,00,000

Debtors on 1-1-2020 = 50,000

Debtors on 31-12-2020 = 70,000

Bills receivable on 1-1-2020 = 30,000

Bills receivable on 31-12-2020 = 50,000

19. What is ratio analysis ? State its objectives.

20. Describe the applications of fund :

| Receipts | Rs. | Payment | Rs. |
|--------------------------|-----------|-------------------------|-----------|
| To balance b/d | 1,00,000 | By Cash purchases | 6,00,000 |
| „ cash sales | 16,00,000 | „ Payment to suppliers | 14,00,000 |
| „ Receipt from customers | 20,00,000 | „ Wages and salaries | 4,00,000 |
| „ issue of shares | 14,00,000 | „ Rent, rates and taxes | 2,00,000 |

| Receipts | Rs. | Payment | Rs. |
|----------------------|-----------|--------------------------|-----------|
| „ Sale of machinery | 3,00,000 | „ Income tax | 6,00,000 |
| „ Sale of investment | 6,00,000 | „ Dividend paid | 1,60,000 |
| | | „ repayment of bank loan | 8,00,000 |
| | | „ Purchase of plant | 4,40,000 |
| | | „ Balance c/d | 14,00,000 |
| | 60,00,000 | | 60,00,000 |

22. What is break even-chart ? List out its assumptions.

23. You are given the following information:

Fixed cost = 15,000

Variable cost = 20,000

Total cost = 35,000

Net profit = 5,000

Net sales = 40,000

- Find out break-even point.
- Forecast the profit for sales volume Rs. 50,000.
- Estimate the volume of sales turnover to make a net profit of Rs. 10,000.

(8 × 5 = 40, Maximum ceiling 35 marks)

Part C

Answer any **two** questions.

Each question carries 10 marks.

24. What is financial statement analysis ? Explain its importance and limitations.

25. From the following, prepare balance sheet of ABC Ltd.

- Sales for the year-Rs.20,00,000
- G/P ratio-25 %
- Current ratio-1.5
- Acid test ratio-1.25

Turn over

- (e) Stock turnover ratio -15
- (f) Debtors' collection period-1.5 months
- (g) Turnover of fixed assets-1.5 months
- (h) Ratio of reserves to share capital-1/3
- (i) Fixed assets to net worth 5/6

Hint : Here, the term turn-over means cost of sales and the term stock refers to closing stock.

26. PQR company budgets for a production of 1,50,000 units. The variable cost per unit is Rs. 14 and fixed cost is Rs. 2 per unit. The company fixes its selling price to fetch a profit of 15% on cost.
- (a) What is the B.E.P. ?
 - (b) What is the P/V Ratio ?
 - (c) If it reduces its selling price by 5 % how does the revised selling price affect the B.E.P. and the P/V Ratio ?
 - (d) If a profit increase of 10 % is desired more than the budget, what should be the sale at the revised price ?
27. What do you mean by funds flow statement ? State its objectives. Explain its importance.

(2 × 10 = 20 marks)

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(Pages : 5)

Name.....

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**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. Define management accounting.
2. Define financial statements.
3. What is interfirm comparison ?
4. What do you mean by trend ratio ?
5. What is break-even point ?
6. What is angle of incidence ?
7. What is P/V ratio ?
8. Current ratio is 2.5 : 1. Current liability is 20,000. Calculate values of current assets and working capital.
9. List out leverage ratios.
10. Calculate solvency ratio, 8 % debenture-4,00,000 ; Loan from ICICI -6,00,000 ; Current liabilities 5,00,000; non-current assets 30,00,000 ; current assets 15,00,000.
11. What is key factor ?
12. What is fund from operation ?
13. List out any *four* sources of fund.
14. What is cash flow statement ?
15. What is marginal cost ?

(15 × 2 = 30, maximum ceiling 25 marks)

Turn over

Part B*Answer all questions.*

16. What are the differences between cost accounting and management accounting ?
17. What are the limitations of financial statement analysis ?
18. What are the objectives of accounting ratios ?
19. What are the advantages of marginal costing ?
20. Ram Ltd. Decided to bear the higher education cost of five brilliant students belonging to the weaker section of the society. Following is the statement of Profits and Loss of Ram Ltd for the year ended 31-03-2022 :

| <i>Particulars</i> | <i>Amount</i> |
|---------------------------|-----------------|
| Income | |
| Revenue from operations | 2,00,000 |
| Other income | 15,000 |
| Total revenue | 2,15,000 |
| Expenses : | |
| Cost of material consumed | 1,10,000 |
| Other expenses | 5,000 |
| Total expenses | 1,15,000 |
| Tax | 40,000 |

You are required to prepare a common size statement of Profits and Loss of Ram Ltd for the year ended 31-03-2022.

21. From the following details calculate :
 - (i) Fixed assets turnover ratio ; and
 - (ii) Working capital turnover ratio.

| | | |
|-------------------------------------|-----|----------|
| Revenue from operations during 2022 | ... | 6,00,000 |
| Fixed assets during 2022 | ... | 2,00,000 |
| Current assets, 2022 | ... | 3,00,000 |
| Current liabilities, 2022 | ... | 2,00,000 |

22. A Ltd has two machines X and Y producing similar products. The details of cost structure and sales are given below :

| | Machine X | Machine Y |
|------------------------|-----------|-----------|
| Total capacity (units) | 1,00,000 | 1,50,000 |
| Fixed cost | 1,50,000 | 4,00,000 |
| Variable cost per unit | 35 | 30 |
| Selling price per unit | 60 | 60 |

- a) Calculate break-even point of each machinery.
 b) Calculate indifference point of these machineries.
23. From the following information estimate net cash from operating activities :

| | | |
|-------------------------------------------|-----|--------|
| Cash revenue from operations (cash sales) | ... | 20,000 |
| Collections from debtors | ... | 80,000 |
| Payment to suppliers | ... | 35,000 |
| Payment to employees | ... | 15,000 |
| Business expenses met. | ... | 20,000 |
| Sale of fixed assets | ... | 10,000 |
| Income tax paid | ... | 12,500 |

(8 × 5 = 40, maximum ceiling 35 marks)

Part C

Answer any **two** questions.

24. From the following information, prepare a summarized balance sheet as on 31-03-2022 :

| | | |
|----------------------|-----|-----------------------------------------|
| Working capital | ... | 1,20,000 |
| Reserves and surplus | ... | 80,000 |
| Bank overdraft | ... | 20,000 |
| Proprietary ratio | ... | 0.75 (fixed asset : shareholder's fund) |
| Current ratio | ... | 2.5 |
| Liquidity ratio | ... | 1.5 |

Turn over

25. A plant is running at present at 50% capacity due to global depression, the following details are available.

| | Cost per unit |
|-------------------|---------------|
| Direct material | 2 |
| Direct labour | 1 |
| Variable overhead | 3 |
| Fixed overhead | 2 |
| Total cost | 8 |

| | |
|--------------------------|--------------|
| Production per month | 20,000 units |
| Total cost of production | 1,60,000 |
| Total sales (20,000 @ 7) | 1,40,000 |
| Loss | (20,000) |

An exporter offers to buy 20,000 units per month at the rate of 6.50 per unit and the company seeks your advice whether to accept this offer or not.

26. From the following balance sheet of ABC Ltd for the year ending 31-12-21 and 2022, Prepare :
- 1 Schedule of changes in working capital
 - 2 A statement showing sources and application of funds

Balance Sheet

| <i>Particulars</i> | Note no | 2021 | 2022 |
|----------------------------------------------|---------|----------|----------|
| I. EQUITY AND LIABILITIES | | | |
| 1) Shareholder's fund | | | |
| Share capital | | 4,00,000 | 5,75,000 |
| Reserves and surplus (P and L A/c) | | 14,000 | 31,000 |
| 2) Share application money pending allotment | | | |
| 3) Noncurrent liabilities | | | |
| 4) Current liabilities | | | |
| Trade payables (creditors) | | 1,06,000 | 70,000 |
| Total | | 5,20,000 | 6,76,000 |

| <i>Particulars</i> | Note no | 2021 | 2022 |
|-------------------------------------|---------|----------|----------|
| II. ASSETS | | | |
| 1) Noncurrent assets | | | |
| Fixed assets | | | |
| Tangible assets (land and building) | | 75,000 | 1,00,000 |
| 2) Current assets | | | |
| Inventories (stock) | | 1,21,000 | 1,36,000 |
| Trade receivables (debtors) | | 1,81,000 | 1,70,000 |
| Cash and cash equivalents | | 1,43,000 | 2,70,000 |
| Total | | 5,20,000 | 6,76,000 |

27. Give proforma of cash flow statement (direct method) with imaginary figures.

(2 × 10 = 20 marks)

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(Pages : 4)

Name.....

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**FIFTH SEMESTER (CBCSS-UG) DEGREE EXAMINATION
NOVEMBER 2022**

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.**Each question carries 2 marks.*

1. Define management accounting.
2. What is intra firm analysis ?
3. What do you mean by common size statements ?
4. Explain notes to account.
5. Describe absolute liquidity ratio.
6. Explain the relevance of debt-equity ratio.
7. What is EPS ?
8. Total sales = 5,20,000 ; Sales returns = 20,000 ; Cost of goods sold 4,00,000 Calculate gross profit ratio.
9. What is schedule of changes in working capital ?
10. Explain funds from operation.
11. What do you mean by cash flows from financing activities?
12. State the objectives of cash flow statement.
13. What is contribution ?
14. From the following information calculate : 1. P/V Ratio ; 2. Breakeven point in Units ; and 3. Breakeven point in Value.
Selling price per unit Rs.20, Variable cost per unit Rs.12, Fixed costs Rs.32000.
15. Explain cost volume profit analysis.

(15 × 2 = 30, Maximum ceiling 25 marks)

Turn over

Part B*Answer all questions.**Each question carries 5 marks.*

16. Explain the limitations of management accounting.
17. What is financial analysis ? Explain various tools used for financial analysis.
18. Calculate the current ratio from the following information : Working capital Rs. 9,60,000 ; Total debts Rs. 20,80,000 ; Long-term Liabilities Rs. 16,00,000 ; Stock Rs. 4,00,000 ; prepaid expenses Rs. 80,000.
19. Explain the following :
 - a) Working capital turnover ratio
 - b) Dividend yield ratio.

20. Calculate cash flows from financing activities :

| | 31-3-2019 | 31-3-2020 |
|------------------------------|-----------|-----------|
| Equity share capital | 8,00,000 | 12,00,000 |
| 12% Preference share capital | 3,00,000 | — |
| 14% Debentures | — | 2,00,000 |

Additional information :

- 1 Equity shares were issued at a premium of 15%.
 - 2 12% Preference shares were redeemed at a premium of 5%.
 - 3 14% Debentures were issued at a discount of 10%.
 - 4 Interim dividend paid on Equity shares Rs. 1,00,000.
 - 5 Dividend paid on Preference shares Rs. 24,000.
 - 6 Interest paid on Debentures Rs.14,000.
 - 7 Underwriting commission on Equity shares Rs. 20,000.
21. Calculate funds from operations from the information given below as on 31st March 2020 :
 - 1 Net profit for the year ended 31st march 2020-6,50,000
 - 2 Gain on sale of building Rs. 35,500
 - 3 Goodwill appears in the books at Rs 1,80,000 out of that 10% has been written off during the year.

- 4 Old machinery worth Rs. 8,000 has been sold for 6,500 during the year
- 5 Rs. 1,25,000 has been transferred to the general reserve fund
- 6 Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is 6,50,000

22. The following data have been obtained from the records of a manufacturing firm :

| | Period I | Period II |
|------------|----------|-----------|
| Sales | 3,00,000 | 3,20,000 |
| Total cost | 2,60,000 | 2,72,000 |

Calculate : 1. Break even sales ; 2. Profit when sales are Rs.360000 ; and 3. Sales required to earn a profit of Rs.5000

23. Differentiate marginal costing and absorption costing.

(8 × 5 = 40, Maximum ceiling 35 marks)

Part C

Answer any two questions.

Each question carries 10 marks.

24. Calculate the trend percentages from the following figures of ABC Ltd. Taking 2015 as the base and interpret them.

| Year | Sales | Stock | Profit before Tax (Rs. In lakhs) |
|------|-------|-------|-------------------------------------|
| 2015 | 1881 | 709 | 321 |
| 2016 | 2340 | 781 | 435 |
| 2017 | 2655 | 816 | 458 |
| 2018 | 3021 | 944 | 527 |
| 2019 | 3768 | 1154 | 672 |

25. What is fund flow statement? Write its uses and limitations.

Turn over

26. From the following information you are required to prepare a Balance sheet :

| | | | |
|---|-----------------------------------------|---|----------|
| 1 | Current liabilities | – | 1,00,000 |
| 2 | Reserves and surplus | – | 50,000 |
| 3 | Bills payable | – | 40,000 |
| 4 | Debtors | – | 35,000 |
| 5 | Current ratio | – | 1.75 |
| 6 | Acid test ratio | – | 1.15 |
| 7 | Fixed assets to proprietors fund | – | 0.75 |
| 8 | Ratio of fixed assets to current assets | – | 3 |

27. Define marginal costing. Explain the managerial uses of marginal costing.

(2 × 10 = 20 marks)

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(Pages : 4)

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FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. Define Management Accounting.
2. What is horizontal analysis ?
3. State any *four* utilities of common size statements.
4. What do you mean by Income Statement ?
5. Explain the significance of quick ratio.
6. What is turn-over ratio ?
7. Calculate : (a) Current assets ; and (b) Current liabilities.
Current ratio = 2.5. Working capital = 60,000.
8. What is EPS ?
9. Indicate whether the following transactions would affect fund :
 - (a) Rs. 10,000 collected from debtors.
 - (b) Issue of bonus shares.
10. What do you mean by flow of fund ?
11. Explain cash flow statement.
12. What do you mean by non-cash items ?

Turn over

13. What is CVP analysis ?

14. Calculate P/V ratio :

The sales turnover and profits during two periods are as under :

Period I : Sales Rs. 20 lakhs ; Profit Rs. 2 lakhs

Period II : Sales Rs. 30 lakhs ; Profit Rs. 4 lakhs.

15. List out the significance of break-even chart.

(10 × 3 = 30 marks)

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. Differentiate management accounting and cost accounting.

17. Explain the significance of financial statement analysis.

18. Cost of revenue from operations—Rs. 6,00,000.

Inventory turnover ratio—6 times.

Find out the value of opening stock if opening stock is—Rs. 10,000 less than the closing stock.

19. What are the limitations of ratio analysis ?

20. From the following information, calculate funds from operation :

| | Rs. |
|----------------------------------------|----------|
| Net profit for the year 31-12-2020 | 3,00,000 |
| Depreciation provided during the year | 70,000 |
| Loss on sale of machinery | 6,000 |
| Profit on sale of investments | 10,000 |
| Provision for tax made during the year | 1,60,000 |
| Goodwill written-off | 40,000 |
| Preliminary expenses written-off | 10,000 |
| Dividends received | 20,000 |
| Interim dividends paid | 40,000 |
| Advertisement expenses paid | 50,000 |
| Refund of tax | 5,000 |

21. Explain cash flows from operating activities.
22. From the following data, calculate :
- Break-even point expressed in amount of sales in rupees.
 - Number of units that must be sold to earn a profit of Rs. 1,00,000 in a year.
- | | |
|-----------------------------|------------------------|
| Selling price | ... Rs. 20/unit. |
| Variable manufacturing cost | ... Rs. 10/unit |
| Variable selling cost | ... Rs. 5/ unit |
| Fixed factory overhead | ... Rs. 5,40,000/ year |
| Fixed selling cost | ... Rs. 2,52,000/year |
23. The following information is extracted from ABC Ltd. for the year 2020.
Sales - 20,000, Variable cost - 10,000, Fixed costs - 6,000.
- Find : (a) P/V ratio ; (b) Break-even point ; and (c) Margin of safety.
Also show the effect of 10 % increase in selling price.

(5 × 6 = 30 marks)

Section C*Answer any two questions.**Each question carries 10 marks.*

24. From the following information, prepare common size income statement :

| <i>Particulars</i> | 2019 | 2020 |
|----------------------------|---------------|-----------|
| | Rs. | Rs. |
| Revenue from operations | ... 20,00,000 | 30,00,000 |
| Other income | ... 1,00,000 | 10,00,000 |
| Tax | ... 1,00,000 | 4,00,000 |
| Depreciation | ... 1,50,000 | 3,00,000 |
| Cost of materials consumed | ... 5,00,000 | 10,00,000 |
| Employee benefit expenses | ... 3,00,000 | 5,00,000 |

25. What is marginal costing ? Explain the application of marginal costing techniques.

Turn over

26. From the following information of XYZ Ltd., you are required to prepare a Balance Sheet :

| | | |
|---------------------------------|-----|----------------------------|
| Sales for the year 2020 | ... | 10,00,000 |
| Fixed asset to net worth | ... | 1.25 |
| Capital gearing ratio | ... | 0.5 |
| Fixed assets turnover ratio | ... | 1.6 |
| Reserves and surplus to capital | ... | 0.6 |
| Debt collection period | ... | 1.5 months |
| Gross profit ratio | ... | 20% |
| Stock turnover ratio | ... | 8 (based on closing stock) |
| Liquid ratio | ... | 1.0 |
| Current ratio | ... | 1.4 |

27. The balance sheets of PQR, a partnership firm, as on 1-1-2019 and 31-12-2019 are given below :

| <i>Liabilities</i> | 1-1-2019 | 31-12-2019 | <i>Assets</i> | 1-1-2019 | 31-12-2019 |
|-----------------------|----------|------------|---------------|----------|------------|
| Capital | 1,25,000 | 1,53,000 | Buildings | 35,000 | 60,000 |
| Loan from Mr. P | 25,000 | ----- | Land | 40,000 | 50,000 |
| Loan from Canara bank | 40,000 | 50,000 | Machinery | 80,000 | 55,000 |
| Creditors | 40,000 | 44,000 | Stock | 35,000 | 25,000 |
| | | | Debtors | 30,000 | 50,000 |
| | | | Cash in hand | 10,000 | 7,000 |
| | 2,30,000 | 2,47,000 | | 2,30,000 | 2,47,000 |

During the year a Machine costing Rs. 10,000 (accumulated depreciation Rs. 3,000) was sold for Rs. 5,000. The provision for depreciation against machinery as on 1-1-2019 was Rs. 25,000 and on 31-12-2019, Rs. 40,000. Net profit for the year 2019 amounted to Rs. 45,000. You are required to prepare :

- A schedule of changes in working capital.
- A Funds Flow statement.

(2 × 10 = 20 marks)